VZCZCXRO0264 PP RUEHDA DE RUEHAK #0458 0850800 ZNR UUUUU ZZH P 260800Z MAR 09 FM AMEMBASSY ANKARA TO RUEHC/SECSTATE WASHDC PRIORITY 9192 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 0366 RUEHRL/AMEMBASSY BERLIN PRIORITY 4302 RUEHBR/AMEMBASSY BRASILIA PRIORITY 0123 RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 0056 RUEHBY/AMEMBASSY CANBERRA PRIORITY 0302 RUEHJA/AMEMBASSY JAKARTA PRIORITY 0136 RUEHLO/AMEMBASSY LONDON PRIORITY 3294 RUEHME/AMEMBASSY MEXICO PRIORITY 0081 RUEHMO/AMEMBASSY MOSCOW PRIORITY 5658 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0495 RUEHOT/AMEMBASSY OTTAWA PRIORITY 0278 RUEHFR/AMEMBASSY PARIS PRIORITY 5471 RUEHSA/AMEMBASSY PRETORIA PRIORITY 0127 RUEHRH/AMEMBASSY RIYADH PRIORITY 0669 RUEHRO/AMEMBASSY ROME PRIORITY 6720 RUEHUL/AMEMBASSY SEOUL PRIORITY 0231 RUEHKO/AMEMBASSY TOKYO PRIORITY 1006 RUEHDA/AMCONSUL ADANA PRIORITY 3710 RUEHIT/AMCONSUL ISTANBUL PRIORITY 5564 RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS ANKARA 000458

SIPDIS

DEPT FOR OES/EGC BARBARA DEROSA-JOYNT AND ED FENDLEY

E.O. 12958: N/A

TAGS: EFIN ENRG SENV KGHG TU

SUBJECT: TURKEY: NO GREEN ENERGY INVESTMENTS IN STIMULUS

PACKAGES

**REF: A. STATE 26022** 

¶B. ANKARA 118

1C. ANKARA 297

1D. ANKARA 313

- 11. (U) Although Turkey has now passed two major stimulus packages (see reftels), neither contained any major initiatives on green investment. Despite some expectation that they would include tax incentives for automotive firms researching clean technologies and retail tax incentives for consumers purchasing green vehicles, neither proposal made it into the legislation. The upcoming third package is expected to focus on credit guarantees and temporary VAT cuts to spur consumption.
- 12. (U) The GOT did grant an amnesty on taxes and fines for people who trade-in vehicles older than 30 years for a new car, partially with the intent of removing high-emission vehicles from the road, but more as a means to spur new car purchases. The success of this plan has been limited, for reasons outlined in Ref C. More successful has been the temporary removal of the special consumption tax on new vehicles (Ref D), which has sparked a sharp uptick in new vehicle sales and will tangentially help replace older vehicles with newer, low-emission models. Again, the goal was less to help the environment than to spur the automotive industry, and if there is a net gain in overall cars on the road the emissions picture may actually worsen.

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